

File - 84 Budget

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NEW HEADQUARTERS BUILDING CONSTRUCTION

A total of \$75.5 million is requested for 1984 to begin construction of a new building and associated improvements at the Headquarters compound in McLean. The new building would consist of some 1.1 million gross square feet, with approximately 850,000 square feet of usable space, and would permit Headquarters consolidation of most Agency activities now located throughout the Washington Metropolitan Area (WMA). The additional funds required to complete construction—an estimated \$115 million—will be requested in 1985. (S)

The Agency has long recognized the need to consolidate most Agency activities, now scattered throughout the WMA in some 15 major leased facilities, into a new building on the Headquarters compound in McLean. Toward this objective, our 1983 program included funds to undertake preconstruction design and A&E studies. (U)

Internal Agency planning for a new building has been underway for the past year. During this period, we have evaluated building alternatives; consulted with the National Capital Planning Commission Staff, the Virginia Department of Highways, representatives of the Fairfax County departments concerned with major construction projects, local and county government officials, and the General Services Administration; selected a construction site based on a comprehensive examination of alternatives available; completed preliminary cost analyses; and conducted a nationwide solicitation to select an architectural-engineering firm for construction design of the new building. In addition, a revision to the previously-approved Master Plan covering the proposed construction of a new Headquarters building was submitted to and approved by the National Capital Planning Commission. (U)

The existing CIA Headquarters building was completed in 1961. It did not provide adequate space at that time to consolidate all Agency components in the Washington, D.C. area into a single location, and even then leased space was needed to house some activities. Subsequently, the increasing use of ADP equipment along with other special purpose activities has required that Headquarters building office space be converted for these uses and that additional leased space be acquired to house the displaced Headquarters staff. In addition, the growth over the past several years of the Agency's Headquarters staff (e.g., an increase of some 1,500 since 1979 with further increases programmed for 1984 and in the

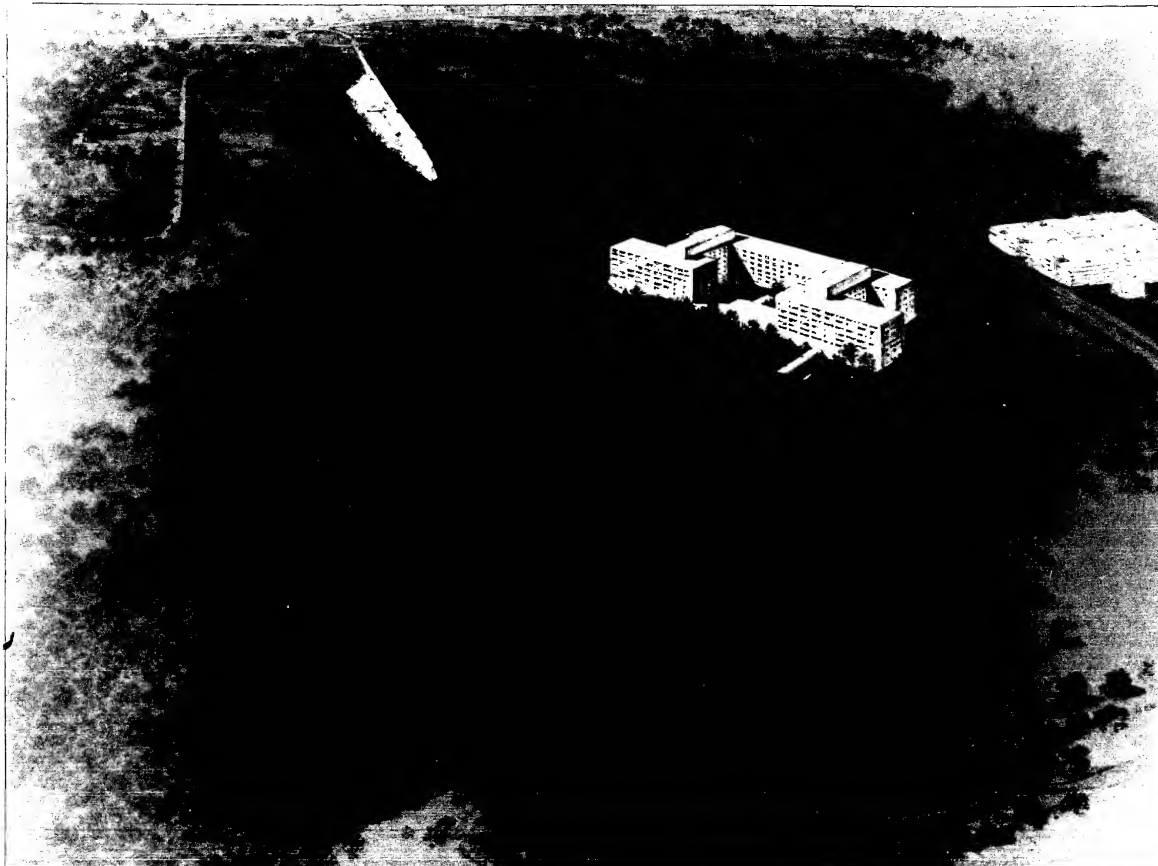
out-year period) has served to compound the space problem by the crowding of personnel and the proliferation of leased space with the concomitant further decentralization of Agency Headquarters activities. The attendant increased costs—both tangible (e.g., lease costs, renovations, duplicate equipment and service facilities, leased lines) and intangible (e.g., security of Agency operations, responsiveness, management communications, coordination of collection and production activities) have placed an increasing drain on Agency resources and hampered operations. (S)

The request for funds to construct a new Headquarters building stems from the longstanding conviction of Agency management that consolidation of most Headquarters personnel in a single location (i.e., the Headquarters compound at McLean) would increase efficiency and productivity, improve the effectiveness of the intelligence process, enhance physical security, and reduce operating costs. The current geographic dispersion of the Agency's Headquarters activities in the WMA inhibits communications among management, collectors, analysts, and those who support them. It is common today for senior managers to spend a significant portion of their time traveling between buildings in the WMA. In crisis situations, assembling needed specialists takes hours rather than minutes. (U)

Providing technological support to Agency elements located outside the existing Headquarters building is difficult and costly. Frequently such support is not fully provided because of cost factors and concerns for the technical and physical security of the facilities and activities involved. The lack of protected power systems in outlying facilities presents high risks to essential operations during any period of emergency. (U)

Unless construction leading to consolidation is undertaken soon, the pressure to displace personnel from the Headquarters building to accommodate equipment will continue. This will present a difficult problem since machine expansion in the present Headquarters building has passed reasonable limits. Continual modifications to existing systems to increase power and air conditioning capacity for machine support and other environmentally sensitive operations have exhausted existing utility space within the present building and new construction or major and costly renovations are required to meet the needs of new systems. (U)

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In consultation with the architectural firm Skidmore, Owens and Merrill, we have prepared a revised master development plan for the Headquarters area, which has been approved by all the local and state planning authorities. The site plan, illustrated in the drawing, includes an addition to the Headquarters building, a new parking facility, and a reception/visitor clearance center. (C)

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In addition, as the Agency staff continues to grow to meet expanding intelligence collection, exploitation, and production requirements responsive to the demands of our government for intelligence support, we will be faced with the prospect of further crowding or acquiring new leased space unless we proceed now with construction of a new Headquarters building. Even so, since the new building would not be available for occupancy until late 1987, some interim arrangements will be required to accommodate our increased Headquarters staff. Assuming the availability of the new building by 1987, we would be able to keep additional lease costs to a minimum and avoid to the extent possible replicating support facilities and equipment normally required for long-term occupancy of non-government owned facilities. (C)

The construction budget proposed is summarized as follows:

	(Thousands)	
	1984	1985
Construction (1.1 million square foot building)	\$58,600	\$ 63,400
Power Plant Construction	8,400	17,100
Contingency	5,000	6,900
Access Roads	3,000	
GSA Fees	500	1,555
Reserve	—	2,000
Parking Garage	—	18,800
Reception Center	—	700
Internal Roads	—	5,000
Total	\$75,500	\$115,455 (S)

Future costs, for 1986 and 1987—no additional funds are required for 1988 and beyond—related directly to the proposed construction, are estimated at \$1.7 million and \$2 million, respectively, for project management fees. (S)

New Headquarters Building Construction

Program and Financing
(Dollars in Thousands)

	1984
Program by Activities:	
Roads	\$ 2,500
Construction	67,000
GSA Fees	500
Contingency/Reserve	3,000
Total Obligations	73,000
Financing:	
Unobligated balance available, start of year	—
Unobligated balance available, end of year	2,500
Budget Authority	\$75,500 * (S)

* Budget authority is requested to be made available until expended.